

**ALLARCO DEVELOPMENTS LTD. AND  
SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF SOURCE  
AND USE OF CASH**

**For the Six Months Ended June 30, 1973**

**SOURCE OF CASH**

Net profit for the period .....	\$2,331,897
Add: Non cash items	
Depreciation .....	599,773
Deferred income taxes .....	652,336
Minority interest .....	30,845
Revenue deferred .....	531,003
Equity in subsidiary earnings .....	(21,550)
	<u>4,124,304</u>

Increase in accounts payable .....	528,071
Deferred expenses recovered .....	68,852
Issue of mortgages and notes payable .....	1,806,316
Disposal of fixed assets .....	7,258,969
Increase in bank advances .....	16,967
Issue of capital stock .....	<u>2,200</u>
	<u>13,805,679</u>

**APPLICATION OF CASH**

Increase in accounts receivable .....	348,979
Increase in inventories and prepaids .....	349,087
Increase in loans receivable .....	559,843
Land purchases .....	1,188,392
Investments in and advances to affiliates .....	1,496,099
Additions to fixed assets .....	2,942,044
Payments on Mortgages and Notes payable .....	6,953,970
	<u>13,838,414</u>

Decrease in Cash	<u>\$ 32,735</u>
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**DIVISIONS**

**AR03**

**Real Estate:**

- i Income Producing Properties
- ii Land for Development

**Automotive:**

- i Crosstown Motor City
- ii Devonian Motors
- iii Edmonton Car Rentals
- iv Mansion Mobile Homes
- v Recreational Vehicle Centre

**Restaurants:**

- i Oliver's  
Edmonton  
Winnipeg  
Calgary
- ii Beachcomber  
Edmonton  
Victoria
- iii Steak Loft  
Edmonton

**Hotels:**

- i Chateau Lacombe  
Edmonton
- ii Peter Pond Hotel  
Fort McMurray

**Printing:**

Metropolitan Printing

**Insurance:**

Columbia Insurance Services

**Farm Division:**

Falher, Alberta

**SUBSIDIARY COMPANIES**

International Jet Air Ltd.  
North West Trust Company  
Redden Construction (1970) Ltd.  
Coronation Construction Ltd.  
Seaboard Life Insurance Company  
Redden Holdings Ltd.  
Citation Construction Ltd.  
North West Investments Company Ltd.

**AFFILIATED COMPANIES**

Fort George Hotel Ltd.  
Blunt's Nursing Homes (1965) Ltd.  
Matrix Exploration Ltd.  
Pine Point Investments Ltd.  
Pine Point Shopping Centre Ltd.  
Alberta Gas Chemicals Ltd.

**JOINT VENTURES AND PARTNERSHIPS**

Park Royal Towers — Vancouver, B.C.  
Hamilton-Ancaster, Ontario

**INTERIM  
REPORT  
TO  
SHAREHOLDERS**

Six Months Ended  
June 30, 1973

**ALLARCO DEVELOPMENTS LTD.**

10120 - 118 STREET  
EDMONTON, ALBERTA

## CHAIRMAN'S SECOND QUARTER REPORT

We are pleased to present the second quarter report for 1973. The six month operating profit totals \$509,000 or 37¢ per share up from \$220,000 or 16¢ per share for the first quarter, while the total net profit for the first half of 1973 amounted to \$2,332,000 or \$1.69 per outstanding share. Sales are well ahead of the 1972 pace totalling \$24,000,000 for the first half of 1973. It is again not possible to present comparative figures for the six months due to the change in year end from October to December.

The methanol plant being constructed in Medicine Hat, Alberta is under construction, progressing well and is expected to be onstream in August 1974.

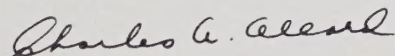
The final addition to the Peter Pond Hotel in Fort McMurray is nearing completion. With this addition the hotel will have a total of 150 rooms.

Oliver's Restaurant in Calgary, replacing the Calgary Beachcomber which was destroyed by fire in 1972, is nearing completion and is expected to open in the fourth quarter of this year.

The Sherman Flats holdings are attracting considerable interest because of the success of Quasar Petroleum at Monkman Pass, also known as Grizzly Flats.

Edmonton Video Limited was awarded the license to operate the third TV station in Edmonton. Edmonton Video Limited, which is wholly owned by Allarco, is expecting to begin broadcasting in the latter part of 1974.

During the second quarter the company sold a parcel of land in Las Vegas, Nevada and has purchased additional land in northeast Edmonton for future development.



CHARLES A. ALLARD  
President and Chairman

## ALLARCO DEVELOPMENTS LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 1973

INCOME .....	\$24,015,962
Cost of sales, operating expenses and interest .....	<u>22,152,683</u>
	1,863,279
Head Office Expenses .....	213,347
Debenture Interest .....	<u>175,000</u>
	388,347
Net Profit before the undernoted .....	<u>1,474,932</u>
Depreciation .....	599,773
Provision for Deferred Income Taxes .....	356,823
Minority Interest .....	<u>30,845</u>
	987,441
	487,491
Equity in earnings of Unconsolidated Subsidiaries .....	<u>21,550</u>
Operating Profit .....	509,041
Gain on disposal of fixed assets and investments .....	<u>1,822,856</u>
Net Profit for the period .....	<u>\$ 2,331,897</u>
Operating Profit per share .....	\$.37
Net Profit per share .....	\$1.69
Cash flow per share .....	\$2.98

(Comparative figures not available due to changed year end).

August 22, 1973